



HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Policy Department

Our Ref: B1/15C
B1/21C
B9/130C

9 December 2019

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Supervisory Policy Manual (SPM): CR-L-1 “Consolidated Supervision of Concentration Risks: BELR Rule 6”

I am writing to inform you that further to the revisions earlier this year, the HKMA proposes additional revisions to the SPM module CR-L-1 “Consolidated Supervision of Concentration Risks: BELR Rule 6”.

The proposed revisions are made in response to recommendations from an assessment team formed by the Basel Committee on Banking Supervision (“BCBS”) which has recently reviewed local implementation of the BCBS standards on large exposures. These are editorial changes to make the HKMA’s current policy to require compliance with the statutory limits on a consolidated basis¹ explicit in the text so that it is more apparent that our regulations conform to the relevant standards. A revised version of this module is attached in the Annex for reference.

Since the revisions are editorial in nature without any change in policies, we do not expect any real impact on the industry. In order to complete the revisions by the timeline imposed by the assessment team, we will arrange to publish the revised module in the gazette within December.

¹ To avoid doubt, the HKMA also requires an AI with subsidiaries to comply with the statutory limits on an unconsolidated basis.

Should you have any questions on this letter, please contact Ms Amy Siu on 2878-1321 or Mr Andy Cheung on 2878-1022.

Yours faithfully,

Daryl Ho
Executive Director (Banking Policy)

Encl

cc: The Chairperson, The Hong Kong Association of Banks
The Chairman, The DTC Association
FSTB (Attn: Ms Eureka Cheung)